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EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana

AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 08-30-00

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 1999**

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 1999**

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Bonnie T. Robinette, CPA

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**INDEPENDENT AUDITOR'S REPORT ON THE
COMPONENT UNIT FINANCIAL STATEMENTS**

Board of Commissioners
East Ouachita Recreation District Number One
Ouachita Parish
State of Louisiana
Monroe, Louisiana

I have audited the accompanying component unit financial statements of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, a component unit of Ouachita Parish Police Jury, as of and for the year ended December 31, 1999. These statements are the responsibility of the Board of Commissioners of the Recreation District. My responsibility is to express an opinion on these component unit financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.


In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, as of December 31, 1999, and the results of its operations for the year ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The accompanying supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the component unit financial statements of the East Ouachita Recreation District Number One. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in my opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroc, Louisiana**

Board of Commissioners
East Ouachita Recreation District Number One
Ouachita Parish, State of Louisiana
Monroc, Louisiana
page 2

In accordance with Government Auditing Standards, I have also issued a report dated June 5, 2000 on my consideration of East Ouachita Recreation District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations and grants.


Bonnie T. Robinette, CPA

Monroc, Louisiana
June 5, 2000

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999**

Governmental Fund Types

General
Fund

ASSETS

Cash		\$ 238,051
Certificates of deposit		-0-
Receivables		548,460
Land, buildings and equipment		-0-
Amount available for debt service		-0-
Amount to be provided for retirement of long-term obligations		<u>-0-</u>
Total assets		<u>\$ 786,511</u>

LIABILITIES, EQUITY AND OTHER CREDITS

LIABILITIES

Accounts payable and accrued expenses		\$ 17,413
Liabilities for compensated absences		-0-
Bonds payable		<u>-0-</u>
Total liabilities		17,413

EQUITY AND OTHER CREDITS

Investment in general fixed assets		-0-
Fund balances:		
Unreserved-undesignated		766,428
-designated		2,670
Reserved for debt service		<u>-0-</u>
Total equity and other credits		<u>769,098</u>

TOTAL LIABILITIES, EQUITY AND OTHER CREDITS		<u>\$ 786,511</u>
---	--	-------------------

Account Groups

Debt Service <u>Funds</u>	General Fixed <u>Assets</u>	General Long-Term <u>Debt</u>	Totals (Memorandum <u>Only</u>)
\$ 91,418	\$ -0-	\$ -0-	\$ 329,469
-0-	-0-	-0-	-0-
109,555	-0-	-0-	658,015
-0-	4,091,765	-0-	4,091,765
-0-	-0-	200,973	200,973
<u>-0-</u>	<u>-0-</u>	<u>225,919</u>	<u>225,919</u>
<u>\$ 200,973</u>	<u>\$ 4,091,765</u>	<u>\$ 426,892</u>	<u>\$ 5,506,141</u>
\$ -0-	\$ -0-	\$ -0-	\$ 17,413
-0-	-0-	2,892	2,892
<u>-0-</u>	<u>-0-</u>	<u>424,000</u>	<u>424,000</u>
<u>-0-</u>	<u>-0-</u>	<u>426,892</u>	<u>\$ 444,305</u>
-0-	4,091,765	-0-	4,091,765
-0-	-0-	-0-	766,428
<u>200,973</u>	<u>-0-</u>	<u>-0-</u>	<u>2,670</u>
<u>200,973</u>	<u>4,091,765</u>	<u>-0-</u>	<u>200,973</u>
<u>200,973</u>	<u>4,091,765</u>	<u>-0-</u>	<u>5,061,836</u>
<u>\$ 200,973</u>	<u>\$ 4,091,765</u>	<u>\$ 426,892</u>	<u>\$ 5,506,141</u>

See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total (Memorandum Only)</u>
REVENUES			
Ad valorem taxes	\$ 559,179	\$ 106,949	\$ 666,128
Concessions	30,056	-0-	30,056
Membership dues	8,621	-0-	8,621
Registration fees	31,099	-0-	31,099
Interest	10,912	-0-	10,912
Other	<u>25,350</u>	<u>-0-</u>	<u>25,350</u>
Total revenues	<u>665,217</u>	<u>106,949</u>	<u>772,166</u>
EXPENDITURES			
Current:			
Administration	68,623	7,560	76,183
Athletics	29,268	-0-	29,268
Operations and maintenance	132,251	-0-	132,251
Salaries and benefits	298,825	-0-	298,825
Concessions	18,732	-0-	18,732
Capital outlay	92,522	-0-	92,522
Debt service:			
Principal retirement	-0-	49,000	49,000
Interest and fiscal	<u>-0-</u>	<u>24,702</u>	<u>24,702</u>
Total charges	<u>640,221</u>	<u>81,262</u>	<u>721,483</u>
Excess of Revenues Over (Under) Expenditures	24,996	25,687	50,683
Other Financing Sources (Uses)			
Proceeds of bond issuance	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	24,996	25,687	50,683
FUND BALANCE, DECEMBER 31, 1998	<u>744,102</u>	<u>175,286</u>	<u>919,388</u>
FUND BALANCE, DECEMBER 31, 1999	<u>\$ 769,098</u>	<u>\$ 200,973</u>	<u>\$ 970,071</u>

See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPE - GENERAL FUND
BUDGET (NON-GAAP BASIS) AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
REVENUES			
Ad valorem taxes	\$543,150	\$520,000	\$ 23,150
Concessions	30,056	38,000	(7,944)
Membership dues	8,621	12,000	(3,379)
Registration fees	31,099	30,000	1,099
Interest	10,912	10,000	912
Other	<u>25,350</u>	<u>5,000</u>	<u>20,350</u>
Total revenues	<u>649,188</u>	<u>615,000</u>	<u>34,188</u>
 EXPENDITURES			
Current:			
Administration	51,752	63,200	11,448
Athletics	29,268	35,000	5,732
Operations and maintenance	134,153	185,700	51,547
Salaries and benefits	304,584	316,500	11,916
Concessions	18,732	24,000	5,268
Capital outlay	<u>90,289</u>	<u>150,000</u>	<u>59,711</u>
Total charges	<u>628,778</u>	<u>774,400</u>	<u>145,622</u>
Excess of Revenues Over (Under) Expenditures	20,410	(159,400)	179,810
Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	20,410	(159,400)	179,810
FUND BALANCE, DECEMBER 31, 1998	<u>210,102</u>	<u>200,000</u>	<u>10,102</u>
FUND BALANCE, DECEMBER 31, 1999	<u>\$ 230,512</u>	<u>\$ 40,600</u>	<u>\$ 189,912</u>

See accompanying notes to the financial statements.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The East Ouachita Recreation District Number One, Monroe, Louisiana, (the "District") was established by the Ouachita Parish Police Jury in 1978, under Louisiana Revised Statute (LSA-RS), for provision of a public recreation center. The District is operated by a board of commissioners which is appointed by the Ouachita Parish Police Jury. The District operates three recreation facilities.

BASIS OF PRESENTATION

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Ouachita Parish Police Jury is the financial reporting entity for Ouachita Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REPORTING ENTITY (Continued)

Because the police jury appoints members to the District's Board and the District is financially accountable to the police jury, the District was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

1. **General Fund** — the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Debt Service Fund** — accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
3. **Capital Project Fund** — accounts for financial resources to be used for acquisition and construction major capital facilities.

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes and interest revenue.

ENCUMBRANCES

The district does not use encumbrance accounting. Purchase orders outstanding at year-end would be included in the subsequent period budget.

BUDGET PRACTICES

The Board of Commissioners adopts an annual budget for the General Fund. A budget was not adopted for the Debt Service Fund. The annual budget is prepared in accordance with the cash basis of accounting. The budget was completed and available for public inspection on November 15, 1999. A public hearing was held on December 20, 1999 to discuss the budget. The budget was approved by the Board on that day. Upon approval of the Board of Commissioners, budgeted amounts can be transferred within expense categories. The Board adopts an amended budget approving the adjustment of expenditures. Appropriations lapse at year-end.

VACATION AND SICK LEAVE

All full-time employees earn 5 to 10 days of vacation leave each year, depending on their length of service. Part-time employees earn 20 hours annually after one year of service. Vacation time can be accumulated up to 20 days. Employees earn 5 to 10 days of sick leave each year. Sick leave may be accumulated for no more than 10 days.

The cost of current leave privileges is recognized as a current year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

FIXED ASSETS

Fixed assets used in governmental fund type operations are recorded as expenditures at the time purchased and the related assets are reported in the General Fixed Assets Group of Accounts. Public domain (infrastructure) general fixed assets including curbs and gutters, sidewalks, drainage systems and lighting

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

systems, are capitalized along with other general fixed assets. No depreciation has been provided on such assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

FUND EQUITY

Reserves --- Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances --- Designated fund balances represent tentative plans for future use of financial resources.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates made by management.

TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

At December 31, 1999, the District had cash and cash equivalents (book balances) totaling \$329,469 as follows:

Demand deposits	\$ 146,943
Savings accounts	<u>182,526</u>
 Total	 <u>\$ 329,469</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1999, the District had \$ 376,157 in deposits (collected bank balances). These deposits are secured from risk by \$267,713 of federal deposit insurance and \$136,786 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - RECEIVABLES

The following is a summary of receivables at December 31, 1999:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes:			
Ad valorem taxes	\$548,460	\$109,555	\$658,015
Grant revenue	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$ 548,460</u>	<u>\$109,555</u>	<u>\$658,015</u>

Property taxes which are delinquent over one year are written off.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 4 - CHANGES IN FIXED ASSETS

GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets account group for the fiscal year:

	Balance December 31, <u>1998</u>	Additions	Deletions	Balance December 31, <u>1999</u>
Land	\$ 348,877	\$ -0-	\$ -0-	\$ 348,877
Buildings	3,277,460	2,197	-0-	3,279,657
Office equipment	7,727	-0-	-0-	7,727
Janitorial	2,746	63	-0-	2,809
Recreation facility	126,675	14,672	10,000	131,347
Concessions	6,124	-0-	-0-	6,124
Auto	22,333	16,272	-0-	38,605
Baseball field equipment	70,270	16,340	-0-	86,610
Baseball field lights	89,248	20,647	-0-	109,895
Fence	57,783	-0-	-0-	57,783
Construction in progress	<u>-0-</u>	<u>22,331</u>	<u>-0-</u>	<u>22,331</u>
Total	<u>\$4,009,243</u>	<u>\$ 92,522</u>	<u>\$ 10,000</u>	<u>\$4,091,765</u>

NOTE 5 - LEVIED TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish in October or November and are actually billed to the taxpayers in December. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Parish of Ouachita bills and collects its own property taxes for the District using the assessed values determined by the tax assessor of the State of Louisiana.

During 1997, the voters of the district approved the issuance of \$570,000 in bonds to construct a recreation center in Sterlington, Louisiana. A tax of 1.5 mills was levied to repay the bonds. In addition, voters approved an increase in the millage for operations from 5.11 mills to 7.5 mills.

For the year ended December 31, 1999, taxes of 9.25 mills were levied on property with assessed valuations totaling \$71,135,883 and were dedicated as follows:

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 5 - LEVIED TAXES (Continued)

	<u>Authorized Millages</u>	<u>Levied Millages</u>
General Fund Purposes	7.50	7.71 Mills
Debt Service #2	1.50	1.54 Mills

Total taxes levied were \$658,015 for 1999.

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 1999:

	<u>General Obligation Bonds</u>	<u>Liability for Compensated Absences</u>
Long-term obligations payable at December 31, 1998	\$ 473,000	\$ 2,729
Additions	-0-	163
Principal reductions	<u>(49,000)</u>	<u>-0-</u>
Long-term obligations payable at December 31, 1999	<u>\$ 424,000</u>	<u>\$ 2,892</u>

General obligation bonds payable at December 31, 1999 are comprised of the following:

\$600,000 Limited Tax Bonds, Series 1996 dated June 6, 1996 due in annual installments; interest at 5.1% to 6.75%. The issue is secured by levy and collection of ad valorem taxes.

The bonds are scheduled to mature as follows:

	<u>Principal</u>	<u>Interest</u>
2000	52,000	21,287
2001	54,000	18,584
2002	57,000	15,725
2003	60,000	12,653
2004	63,000	9,362
2005 and thereafter	<u>138,000</u>	<u>7,806</u>
	<u>\$ 424,000</u>	<u>\$ 85,417</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

At December 31, 1999, employees of the District have accumulated and vested \$ 2,892 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term obligations account group.

NOTE 7 - RECONCILIATION OF ACTUAL RESULTS TO BUDGETARY BASIS

The budget for the year ended December 31, 1999 was prepared on a cash basis. The following schedule reflects the adjustments necessary to convert actual results from a GAAP basis to the cash basis for purposes of budget comparison in the financial statements.

General Fund:	GAAP		Cash	
	<u>Basis</u>	<u>Receivables/Payables</u>	<u>Basis</u>	
Revenues				
Ad valorem tax	559,179	(564,081)	548,052	543,150
Concessions	30,056	-0-	-0-	30,056
Membership dues	8,621	-0-	-0-	8,621
Registration fees	31,099	-0-	-0-	31,099
Interest	10,912	-0-	-0-	10,912
Other	<u>25,350</u>	<u>-0-</u>	<u>-0-</u>	<u>25,350</u>
Total revenues	<u>665,217</u>	<u>(564,081)</u>	<u>548,052</u>	<u>649,188</u>
Expenditures				
Administration	68,623	-0-	(16,871)	51,752
Athletics	29,268	-0-	-0-	29,268
Operations	132,251	6,703	(4,801)	134,153
Salaries	298,825	7,349	(1,590)	304,584
Concessions	18,732	-0-	-0-	18,732
Capital Outlay	<u>92,522</u>	<u>-0-</u>	<u>(2,233)</u>	<u>90,289</u>
Total expenditures	<u>640,221</u>	<u>14,052</u>	<u>(25,495)</u>	<u>628,778</u>
Fund Balance, 1998	<u>744,102</u>	<u>14,052</u>	<u>(548,052)</u>	<u>210,102</u>

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The district is the defendant in a lawsuit arising principally in the normal course of operations. In the opinion of management, the outcome of this lawsuit will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

NOTE 10 - RISK MANAGEMENT

In the ordinary course of business the district is at risk for property damage, liability, theft and worker's compensation. The district provides insurance coverage through the oversight entity, the Ouachita Parish Police Jury and commercial insurance companies.

NOTE 11 - FUND DESIGNATIONS AND COMMITMENTS

At December 31, 1998, \$25,000 of fund balance was designated by the Board of Commissioners for future game rooms. During 1999, construction of the game rooms commenced and \$22,330 was spent. The remaining balance of designated funds at December 31, 1999 is \$2,670.

The total contract price for the game rooms is \$148,874. Fifteen percent of the project was completed and billed in 1999.

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 1999**

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid board members is presented in compliance with *House Concurrent Resolution No. 54* of the 1979 Session of the Louisiana Legislature.

Board members received no compensation for the year ended December 31, 1999.

Bonnie T. Robinette, CPA

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
East Ouachita Recreation District Number One
of the Parish of Ouachita,
State of Louisiana
Monroe, Louisiana

I have audited the component unit financial statements of the East Ouachita Recreation District Number One of the Parish of Ouachita, State of Louisiana, a component unit of Ouachita Parish Police Jury, for the year ended December 31, 1999, and have issued my report thereon dated June 5, 2000. I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance


As part of obtaining reasonable assurance about whether East Ouachita Recreation District Number One's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Board of Commissioners
East Ouachita Recreation District Number One
of the Parish of Ouachita,
State of Louisiana
Monroe, Louisiana

In planning and performing my audit I considered East Ouachita Recreation District Number One's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. These matters are described in the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control structure would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Board of Commissioners, management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Bonnie T. Robinette, CPA

Monroe, Louisiana
June 5, 2000

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 1999**

Section I. Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness Yes No

Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Not applicable

c. Not applicable

Section II. Financial Statement Findings

Reportable Conditions

99-1 Inadequate Segregation of Duties

CONDITION: Personnel perform incompatible functions; i.e., those that allow an error or irregularity that is material to the financial statements to occur and remain undetected.

CAUSE OF CONDITION: Limited number of employees.

RECOMMENDATION: Management should review the practicality of achieving adequate segregation of duties.

CORRECTIVE ACTION PLAN: Management has taken steps to separate duties to the extent possible. However, a limited number of employees do not allow for adequate separation of duties. **Responsible person:** James McKay

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

Section II. Financial Statement Findings, continued

Compliance Findings

None

Section III. Federal Award Findings and Questioned Costs

Not Applicable

**EAST OUACHITA RECREATION DISTRICT NUMBER ONE
PARISH OF OUACHITA, STATE OF LOUISIANA
Monroe, Louisiana**

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

Reportable Conditions:

98-1. Inadequate Segregation of Duties

STATUS: See current year condition 99-1.

Compliance Findings:

98-2. Contracts with related parties

STATUS: Condition resolved.